

EAST HERTS COUNCIL

REPORT TO COMMUNITY SCRUTINY COMMITTEE - 7 APRIL 2009

REPORT BY HEAD OF COMMUNITY AND CULTURAL SERVICES

7. CASTLE HALL REVIEW AND DEVELOPMENT PLANS

WARD(S) AFFECTED: All

RECOMMENDATION: that Community Scrutiny Committee:

(A) approves the mission statement and five year strategic plan as attached at Appendix F (pages 7.24 – 7.26);

(B) notes that, following assessment and selection of design proposals in April 2009, it is the intention that the Castle Hall Way Forward Group (CHWFG) will present a preferred design proposal and a robust business case to Executive for capital investment in the re-modelling and refurbishment of Castle Hall;

(C) adopts a range of performance indicators for annual reporting to Community Scrutiny Committee, from those presented at Appendix D (pages 7.19 – 7.22);

(D) supports an application to the Executive and to Council for an additional allocation of £6,000 for the purchase of portable exhibition screens; and

(E) endorses the intention to create a Castle Hall Management Group with responsibility to oversee the future development of the venue.

1.0 Purpose of Report

1.1 To update the committee on the review and development proposals for Castle Hall and to seek approvals as set out in the recommendations.

2.0 Contribution to the Council's Corporate Objectives

2.1 Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.

### 3.0 Background

3.1 Castle Hall was built as a multi-purpose civic hall in 1975. Its function today is as a multi-purpose arts and entertainment venue and hall for hire. There are four distinct elements to the facility:

- Main Hall and stage with raked seating for 409: for theatre use, shows, events, occasional cinema and as a hall for hire;
- Foyer and bar area: currently a bar for events and promotions only and as a space for occasional hire;
- River Room: a meeting room for hire with a capacity of 60; and
- Kitchen: a catering facility capable of providing formal meals for, in the order of, 340 covers.

In addition to these four elements there are ancillary changing, utility and storage areas etc. There is also a small rear patio accessed via the River Room.

3.2 The main hall currently operates at approximately 61 % capacity with a split of use type of 40% promotions, 60% hired hall. The River Room operates at 37% capacity. A typical programme of events, promotions and hire use (for the period December 2008 to March 2009) is presented at Appendix A(i) and A(ii) (pages 7.10 – 7.15).

3.3 The council employs the equivalent of 6.6 full time equivalent staff who work on the site running all operational aspects of the facility including box office and marketing. This resource is supplemented by three additional elements: casual technicians; support from the council's property maintenance and other central council functions, and the recently formed officer and member Castle Hall Way Forward Group (CHWFG) chaired by the Executive Member for community development, leisure and culture - Councillor Linda Haysey . The staffing structure and membership of the CHWFG is presented at Appendix B (page 7.16).

3.4 The council's net revenue subsidy estimate for the operation of Castle Hall in 2008/09 is £406,840. The council's budget page presented at Appendix C (pages 7.17 – 7.18) shows how the budget is made up of a number of different cost centres and incomes.

3.5 Currently no performance indicators for Castle Hall are the subject of formal monitoring at a corporate level. There are however a range of

indicators collated by an informal group of national theatre and civic hall managers as presented (with definitions) at Appendix D (pages 7.19 – 7.22). Customer satisfaction surveys are undertaken as a matter of course; the surveys show high levels of satisfaction, as presented at Appendix E (page 7.23). General resident satisfaction levels with theatre and culture facilities in the area have been undertaken in recent years – but these are not sufficiently focused to be of specific use to Castle Hall as an independent venue.

- 3.6 In 2005 the Executive commissioned a member and officer working group to review Castle Hall and identify opportunities for future development. The group oversaw a re-branding that brought new focus to the facility as a venue for the Arts together with a short term marketing plan.
- 3.7 More recently in 2008, Executive Portfolio Holder Councillor Linda Haysey created a new officer and member working group (Castle Hall Way Forward Group) to take forward the development of Castle Hall with a focus on maximising its potential as an arts and entertainment venue with a new mission, five year strategic plan Appendix F (pages 7.24 – 7.26), pricing policy and business plan. A key element of the development plan is the physical refurbishment option, for which, subject to the approval of robust business plans, a capital provision of approximately £600,000 has been made as part of the council's allocation of £3.84m for investment in Grange Paddocks, Hartham and Castle Hall for 2009/10 and 2010/11.
- 3.8 The report below updates the committee on the work of the CHWFG and actions and approvals needed to take the development plan forward, and is structured as follows:
- a) mission statement, strategic plan, pricing policy and business plan
  - b) refurbishment and re-modelling plans and capital investment
  - c) revenue budgets
  - d) marketing and audience development
  - e) interim innovations development plan
  - f) performance indicators
  - g) capital allocation for exhibition equipment
  - h) future governance arrangements
  - i) project plan and timeline

#### 4.0 Report

##### **Mission statement, strategic plan, pricing policy and business plan**

- 4.1 The CHWFG held a stakeholder focus group in December 2008 to review current and potential uses of the venue. As a result of the opinion that emerged from that session, and subsequent deliberation, the CHWFG put together the mission statement and five year strategic plan as attached at Appendix F (pages 7.24 – 7.26). The plan is recommended to Community Scrutiny Committee for approval.
- 4.2 The financial package relating to each promotional event at CH is negotiated by the Castle Hall manager on a commercial basis, with promotional events taking precedence over the hiring of the hall. However, traditionally, the hire of the main hall and the River Room has been governed by an annually agreed pricing policy that restricts income in accordance with a four tier schedule of rates:
- A. Commercial
  - B. Non commercial
  - C. Charitable
  - D. Special rate for a minimum seven day hire
- 4.3 It is estimated that the discount represented by rates C and D are worth in the order of £58,185. CHWFG intends to consult with hirers as part of a review of this structure, with a possible recommendation that the future pricing policy for hall and River Room hire are restricted only by a structure of peak and off peak times rather than by user group categories. Any recommendations would be presented to the committee for approval with effect from 1 April 2010 or at another appropriate milestone e.g. the opening of the newly refurbished and re-modelled venue.
- 4.4 The business plan is currently work in progress and will be presented to a future committee for approval, with much dependence on the refurbishment and re-modelling project as well as on the marketing and audience development initiative as described later in the report.

### **Refurbishment and re-modelling plans and capital investment**

- 4.5 As part of the capital allocation of £3.84m for developments at Grange Paddocks, Hartham and Castle Hall, a sum of approximately £600,000 has been attributed for refurbishment and re-modelling work at Castle Hall.
- 4.6 Within the cost context set out in paragraph 4.5 above, a selected list of nine architects/designers were invited to quote for design and building development contract management services for the

refurbishment and re-modelling of Castle Hall in accordance with brief presented at Appendix G (pages 7.27 – 7.29). The main elements sought were: design concepts and proposals, fee quote and estimated building costs. By the quote return deadline of 16 March 2009, five architects had submitted design proposals and fee quotes. The design proposals, contained in the quotes received, present an exciting range of re-modelling and refurbishment options with estimated building works and fee costings for the basic elements of re-modelling and refurbishment coming within or close to the capital allocation referred to in paragraph 4.5. Options have also been identified for more extensive work.

- 4.7 Following close analysis of the quotes, the architects will be invited to present their proposals to the CHWFG on 8 April 2009. 50% of the assessment will be based on the quality, practicality and revenue generating potential of the re-modelling and refurbishment design proposals. It is the intention that a winning design and business case will be recommended to the Executive for approval to proceed with the tendering of the development works and associated commitment of capital spend for design and architectural services, with the final consent for capital spend being dependent on the tender return prices.
- 4.8 As referred to in paragraph 4.6, contained within the submitted proposals are some additional options and phase two works which are outside of the current capital allocation. The CHWFG may therefore conclude that it would be appropriate to submit recommendations for additional capital allocations to a future Executive for approval.
- 4.9 As part of the CHWFG's assessment of design proposals in April, the issue of impact of the building work on the Castle Hall programme will be determined. Short to medium term business planning will be dependent on the level and extent of disruption to the current programme and the financial impact of any lost revenue income. CHWFG will need to assess the options in relation to curtailment to the programme and closure of the venue, including the level of commitment and liability for shows, events and hires already booked.

## **Revenue budgets**

- 4.10 The Committee is advised that the budget for Castle Hall for 2009/10 and 2010/11 contains two new growth items, as follows:

£7,000 in 2009/10 for additional marketing

£25,000 in 2009/10 and in 2010/11 for a CHWFG development fund

- 4.11 It is the intention that the development fund is used to commission development of the artistic programme on a consultancy basis. However, the time line of this commission will be carefully considered to ensure that the resource is maximised in relation to the re-modelling and refurbishment works and the launch of the new business plan.

### **Marketing and audience development**

- 4.12 An opportunity has arisen to create a new part-time post to specialise in marketing and audience development work. This is an important re-focus of an existing resource that is complementary to the Castle Hall development and change programme. The post will be advertised through specialist marketing networks and websites.
- 4.13 The CHWFG has reviewed the leaflet format currently used to promote the events and programmes at the venue. This is a format that allows for inclusion in the council's quarterly LINK publication. Following review, it is the intention to revert to a more substantial 24 page brochure format. The main reason for this is that research has shown that people are more inclined to keep the brochure for reference than the leaflet. The new brochure format will be re-designed in consultation with the new marketing post and the council's communication team, with the first publication being timed to coincide with the re-launch of the venue following the re-modelling and refurbishment works.

### **Interim innovations development plan**

- 4.14 In order to ensure that innovation does not have to wait for a newly re-modelled and refurbished building to be opened, an innovations development plan has been drawn up by the council's arts development officer and approved by the CHWFG as presented at Appendix H (pages 7.30 – 7.33). Contained within the plan is development work that can be prepared behind the scenes, regardless of the building works position, as it involves the development of contacts, relationships and programme ideas.

### **Performance indicators**

- 4.15 As stated in the background to the report, currently no performance indicators are presented formally to Community Scrutiny Committee or corporate management team. As part of the change and

development programme it is recommended that a set of indicators is reported annually to the Community Scrutiny Committee. The Committee is invited to consider the indicators presented at appendix D (pages 7.19 – 7.22). Officers would recommend that the Committee might wish to adopt the indicator numbers 1, 6, 12, 14 and 15: these being a manageable number of key indicators that would allow for annual tracking and comparison with other similar venues across the region.

### **Capital allocation for exhibition equipment**

- 4.16 One of the under utilised potentials of Castle Hall is its prime location and the quantity of passing footfall at all times of the day and evening. In order to attract some of that footfall into the venue, an exhibition capability is required. It is intended that the re-modelling and refurbishment works will provide a permanent space, but in the interim, and in the future, to allow for flexibility, exhibitions screens are required in order to realise the potential for art and other exhibits. The Committee is invited to recommend to the Executive that a capital sum of £6,000 is allocated out of the 2009/10 capital programme to enable this equipment to be bought.

### **Future governance arrangements**

- 4.17 Currently the management arrangements for Castle Hall are the same as for any local government service; with a single line hierarchy of manager to service head to director. This structure has been supported informally during the current change and development programme by the CHWFG. It is recommended that, before the opening of the newly refurbished and re-modelled venue, a management committee is established to oversee future performance and development. This is a common governance arrangement for arts and entertainment venues, for example at the Rhodes Arts Complex in Bishop's Stortford. It is recommended that the current CHWFG become the first management committee and that subsequently, annually, the Community Scrutiny Committee nominates two councillors to be members of the management committee alongside the Executive Portfolio Holder and the officer core. Terms of reference to be presented to a future Committee for approval.

### **Project plan and timeline**

- 4.18 A project plan has been produced and approved by the CHWFG. However, this is now under review subject to the time line that

emerges for the building work element of the project. The launch of the new business plan is dependent on the timing and duration of the re-modelling and refurbishment works which are yet to be determined.

## 5.0 Consultation

5.1 The CHWFG consulted key stakeholders on their views on the building its condition and its potential uses.

## 6.0 Legal Implications

6.1 None.

## 7.0 Financial Implications

7.1 There is £3.84m capital already allocated in the council's capital programme for development work at Grange Paddocks, Hartham and Castle Hall. The revenue implications of this allocation have already been accounted for in the council's budget. If additional capital over the working estimate of £600,000 is required, then this will be addressed in the context of the availability of capital in the council's programme. A further report with robust business plans will be presented to a future Executive for approval prior to any capital expenditure being committed (other than that referred to in paragraph 4.16 above).

## 8.0 Human Resource Implications

8.1 Any human resource implications arising from the changes are being addressed in consultation with human resource officers.

## 9.0 Risk Management Implications

9.1 Risk will be addressed through the business case proposal to be presented to Executive.

## Background Papers

None.

## Contact Member:

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